

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

FEDERAL INSURANCE COMPANY,
an Indiana corporation,

Plaintiff,

Case No.: 5:06-cv-11328
Honorable John Corbett O'Meara

vs.

PROJECT CONTROL SYSTEMS, INC., a Michigan
corporation, PCSI MANAGEMENT, LLC d/b/a PVA
EARTHWORKS, a Michigan limited liability company,
ASSEM SHEIKH, an individual, and NADA SHEIKH,
an individual,

Defendants.

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DEFAULT JUDGMENT AS AGAINST DEFENDANT
ASSEM SHEIKH

This matter having come before the Court upon the Motion for Default Judgment of
Assem Sheikh

The Court having issued a Preliminary Injunction Order on April 27, 2006;

The Court having made the following findings of fact and conclusions of law:

1. The Defendants, including the defaulted Defendant, entered into a General
Agreement of Indemnity with Federal Insurance Company on March 1, 2005, requiring each of
them to indemnify Federal from and against any and all loss, damage or expense in connection

with bonds issued by Federal to any of the Indemnitors, said General Agreement of Indemnity requiring each of the Indemnitors to place with Federal collateral in the amount sufficient to cover all undischarged liability under such bonds.

2. Federal having made request for such collateral and the defendants having failed to provide same.

3. Federal having determined that a deficiency in the amount of \$2,432,020.00 exists in connection with the six projects of Project Control Systems, Inc. in connection with which Federal issued bonds in reliance on the General Agreement of Indemnity (the "Bonded Projects").

4. This deficiency when taken together with attorneys fees, consultants fees, and other expenses in connection with liabilities under the bonds, including in finishing the Bonded Projects, equals \$2,750,000.00.

5. The Court having found:

- a) Federal to be substantially likely to prevail against all of the Defendants in connection with the foregoing;
- b) that Defendant Assem Sheikh is in default, and
- c) Federal has no adequate remedy at law and will be irreparably harmed in its rights if not given injunctive relief of the type hereunder.

The Court being otherwise fully advised, now, therefore:

IT IS HEREBY ORDERED that the Preliminary Injunction Order entered on April 27, 2006 continues as to the non-defaulted party Nada Sheikh.

IT IS FURTHER ORDERED that Assem Sheikh shall be enjoined and restrained from selling, transferring or disposing his assets and property and is further enjoined and restrained

from allowing his assets and property to be liened, unless and until Federal receives the \$2,750,000.00 referenced herein, or further Order of the Court.

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that judgment is hereby entered in favor of Federal, in the amount of \$2,750,000.00, and that there being no just reason for delay, this judgment is final as against Assem Sheikh.

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that this judgment may be subject to increase on motion by Federal should its damages ultimately exceed the judgment amount herein.

John Corbett O'Meara
United States District Court Judge

Dated: July 28, 2006